



## California Department of Veterans Affairs

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# Veterans News

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### GOVERNOR SIGNS AB 2651 (KNIGHT) TO SAVE TAXPAYER AND VETERAN DOLLARS

SACRAMENTO, CA – Veterans who get home or farm loans through the California Department of Veterans Affairs (CalVet) in the future will save with lower interest rates thanks to urgency legislation signed by Gov Schwarzenegger today. Assembly Bill 2651 (Knight) will save the loan program \$500,000 a year in lower interest payments on bonds and those savings will be passed on to future CalVet customers, the veterans of California. In addition, this bill will have a significant impact on all future bonds sales saving an estimated \$400 million in interest payments on the remaining un-issued bonds.

"The California Department of Veterans Affairs is grateful for the fast action in the legislature and pleased the Governor acted so quickly to sign this important bill. The savings realized as a result of 'Assemblymember Knight's bill will ensure the CalVet Home Loan Program is able to provide affordable home loans to future veteran loan applicants at lower interest rates while generating revenue for the department. I would like to thank the legislature, Governor and 'Assemblymember Knight for working hard for California's veterans," said California Department of Veterans Affairs Secretary Roger Brautigan.

"It is so gratifying to have a bill with so much personal sentiment and profound impact for our veterans signed into law," said Assemblyman Knight.

This California Department of Veterans Affairs (CalVet) sponsored legislation would create the Veterans Bonds Payment Fund and provides that monies in the fund would be used solely to pay debt service on bonds issued pursuant to all veterans' farm and home purchase bond acts. Furthermore, this bill requires debt service funds, under the Veterans Bond Act of 2008, to be transferred to the fund rather than the General Fund, and requires certain monies paid into the Veterans Farm and Home Building Fund of 1943 be available for transfer to the fund. This legislation will facilitate higher ratings for CalVet bonds issued pursuant to all veterans farm and home purchase bond acts, lower interest rates and save on debt service payments, thus saving a significant amount of money for the department and which will translate into lower loan rates for the for veterans participating in CalVet programs.

AB 2651 was signed by Governor Schwarzenegger on Tuesday, June 15, 2010.

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